

WALLS BRIDGES LAWYERS

Financial Report

For the years ended 30 June 2016, 2017 and 2018, and the
half-year ended 31 December 2018

CONTENTS

Directory	1
Owners' Report	2
Auditor's Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Owners' Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Owner' Declaration	21
Independent Audit Report	22

DIRECTORY

Principal Lawyer

Jacqueline Conquest

OFFICE

49 Octavia St, Mornington VIC

AUDITORS

Stantons International

Level 2

22 Pitt Street

Sydney

NSW 2000

BANKERS

Westpac

OWNERS' REPORT

This financial report includes the financial statements and notes for Walls Bridges Lawyers (or the **entity**) for the years ended 30 June 2016, 2017 and 2018, and the half-year ended 31 December 2018 (together, the **Period**).

PRINCIPAL ACTIVITIES

Walls Bridges are specialist Family Lawyers who advise on the legal issues arising from Separation and Divorce. Their areas of specialisation include the following: -

- Separation and Divorce
- Parenting and Custody Arrangements
- Court Proceedings involving Children and Property
- Intervention Orders
- Pre-nuptial and Financial Agreements
- Property Settlements

REVIEW AND RESULTS OF OPERATIONS

	Half-year 31-Dec-18 \$	Year end 30-Jun-18 \$	Year end 30-Jun-17 \$	Year end 30-Jun-16 \$
Net Profit	118,429	155,191	159,296	185,601

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Nil other than disclosed elsewhere in this report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 20 February 2019, AF Legal Pty Ltd ACN 604 485 154 (AFL), an Australian Family Law Firm, executed a Business Sale Agreement to purchase the Business Assets, including brand, goodwill and files under management of Walls Bridges Lawyers for a total consideration of \$53,500.

Navigator Resources Limited ACN 063 366 487 (NAV) is a company listed on the Australian Stock Exchange (ASX). At an Extraordinary General Meeting (EGM) held on 8 April 2019, NAV shareholders approve resolutions that will allow NAV to acquire 100% of the issued capital of AFL (Proposed Transaction).

As part of the Proposed Transaction, the Company proposes to change its name to "AF Legal Group Ltd" and also change its ASX ticker code from "NAV" to "AFL" and apply for readmission to the ASX.

There are no other matters or circumstances which have arisen since 31 December 2018 which significantly affected or may significantly affect the operations of the Entity, the results of those operations, or the state of the affairs of the Entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

OWNERS' REPORT

Likely developments in the operations of the Entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Entity.

ENVIRONMENTAL REGULATION

The Entity has complied with all regulatory requirements.

PROCEEDINGS ON BEHALF OF ENTITY

No person has applied for leave of the court to bring proceedings on behalf of the Entity or intervene in any proceeding to which the Entity is a party for the purpose of taking responsibility on behalf of the Entity for all or any parts of those proceedings.

The Entity was not a party to any such proceedings during the period.

NON-AUDIT SERVICES

There were no non-audit services provided by Stantons International during the period.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is set out on page 8.



Mr Edward Finn
Director, AF Legal Pty Ltd

Melbourne, VIC, 19 May 2019

AUDITOR'S INDEPENDENCE DECLARATION

19 May 2019

Walls Bridges Lawyers
49 Octavia Street,
Mornington VIC 3931

Dear Sir

RE: WALLS BRIDGES LAWYERS

I am pleased to provide the following declaration of independence to the owners of Walls Bridges Lawyers.

As Audit Director for the audit of the financial statements of Walls Bridges Lawyers for the period ended 31 December 2018 and the years ended 30 June 2018, 30 June 2017, 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 30 JUNE 2016, 2017 AND 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

		Half-year 31-Dec-18 \$	Year end 30-Jun-18 \$	Year end 30-Jun-17 \$	Year end 30-Jun-16 \$
Revenue	2	274,102	622,050	483,224	347,304
Administration expense		27,496	94,923	81,328	76,186
Employee benefits	3a	91,295	275,383	174,936	57,383
Consulting and professional services		7,248	15,313	11,452	4,528
Finance costs		607	1,340	1,261	147
Occupancy expenses		20,189	41,400	23,086	11,813
Client costs		6,493	29,771	24,386	4,629
Depreciation	6	588	1,176	1,078	-
Travel expense		3,622	4,653	3,860	3,612
Other expenses	3b	(1,865)	2,900	2,541	3,405
PROFIT FOR PERIOD		118,429	155,191	159,296	185,601
OTHER COMPREHENSIVE INCOME / (LOSS)					
Items that may be reclassified subsequent to profit and loss		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		118,429	155,191	159,296	185,601

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND 31 DECEMBER 2018

		31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	4	19,398	19,585	26,825	33,316
Trade and other receivables and WIP	5	67,749	88,742	44,978	54,435
TOTAL CURRENT ASSETS		87,147	108,327	71,803	87,751
NON-CURRENT ASSETS					
Property, plant and equipment	6	999	1,587	2,450	-
TOTAL NON-CURRENT ASSETS		999	1,587	2,450	-
TOTAL ASSETS		88,146	109,914	74,253	87,751
CURRENT LIABILITIES					
Trade and other payables	7	8,313	44,794	29,136	54,631
TOTAL CURRENT LIABILITIES		8,313	44,794	29,136	54,631
TOTAL NON-CURRENT LIABILITIES		-	-	-	-
TOTAL LIABILITIES		8,313	44,794	29,136	54,631
NET (ASSETS)		79,833	65,120	45,117	33,120
OWNERS EQUITY					
Retained earnings	8	79,833	65,120	45,117	33,120
TOTAL OWNERS EQUITY		79,833	65,120	45,117	33,120

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

	Retained Earnings \$	Total \$
BALANCE AT 1 JULY 2018	65,120	65,120
Profit for the period	118,429	118,429
Other comprehensive income	-	-
Total comprehensive income for the period	118,429	118,429
Owners Drawings	(103,716)	(103,716)
BALANCE AT 31 DECEMBER 2018	79,833	79,833
BALANCE AT 1 JULY 2017	45,117	45,117
Profit for the year	155,191	155,191
Other comprehensive income	-	-
Total comprehensive income for the year	155,191	155,191
Owners Drawings	(135,188)	(135,188)
BALANCE AT 30 JUNE 2018	65,120	65,120
BALANCE AT 1 JULY 2016	33,120	33,120
Profit for the year	159,296	159,296
Other comprehensive income	-	-
Total comprehensive income for the year	159,296	159,296
Owners Drawings	(147,299)	(147,300)
BALANCE AT 30 JUNE 2017	45,117	45,117
BALANCE AT 1 JULY 2015	48,404	48,404
Profit for the year	185,601	185,601
Other comprehensive income	-	-
Total comprehensive income for the year	185,601	185,601
Owners Drawings	(200,885)	(200,885)
BALANCE AT 30 JUNE 2016	33,120	33,120

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

		Half-year 31-Dec-18 \$	Year end 30-Jun-18 \$	Year end 30-Jun-17 \$	Year end 30-Jun-16 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
		295,096	578,255	492,504	326,671
Receipts from Customers					
Payments to suppliers and employees		(191,567)	(450,024)	(348,344)	(113,392)
Interest received		-	30	177	185
NET CASH PROVIDED BY OPERATING ACTIVITIES	4(a)	103,529	128,261	144,337	213,464
CASH FLOWS FROM INVESTING ACTIVITIES					
Expenditure on PPE		-	(313)	(3,528)	-
NET CASH (USED IN) INVESTING ACTIVITIES		-	(313)	(3,528)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawings		(103,716)	(135,188)	(147,300)	(200,885)
NET CASH (USED IN) FINANCING ACTIVITIES		(103,716)	(135,188)	(147,300)	(200,885)
NET INCREASE / (DECREASE) IN CASH HELD		(187)	(7,240)	(6,491)	12,579
Cash at the beginning of the period		19,585	26,825	33,316	20,737
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	19,398	19,585	26,825	33,316

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

This financial report includes the financial statements and notes of Walls Bridges Lawyers for the years ended 30 June 2016, 2017 and 2018, and the half-year ended 31 December 2018 (together, the **Period**).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards. The entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest AUD (Australian Dollars). The amounts presented in this report are in AUD.

The financial statements of the Entity comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

The financial statements were authorised for issue on 19 May 2019 by the director of AFL, Edward Finn, the new owner of the Walls Bridges Family Law Practice.

b) GOING CONCERN

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the Entity not continue as a going concern, there is uncertainty whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Entity not be able to continue as a going concern.

c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

d) FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Entity becomes party to the contractual provisions of the financial instrument. For financial assets, this is equivalent to the date that the Entity commits itself to either the purchase or sale of the asset (i.e. Trade date accounting is adopted).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

The Entity's trade and most other receivables fall into this category of financial instruments. Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default. The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

Impairment

At the end of each reporting period, the Entity assesses whether there is objective evidence that a financial instrument has been impaired, if so the Entity performs a detailed impairment calculation to determine whether an impairment loss should be recognised.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in Statement of Profit or Loss and Other Comprehensive Income.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Entity would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Entity recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

e) IMPAIRMENT OF ASSETS

At each reporting date, the Entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

g) GOODS AND SERVICES TAX (GST)

The Entity is registered for GST and as such VAT is recoverable from the appropriate tax authority in respect of expenditure during the period for those entities. All amounts presented in the financial statements are stated net of GST.

h) LEASES

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

i) REVENUE

Revenue from professional services are recognised over time either by reference to the labour hours incurred to date if provided for contractually.

Where the outcome cannot be reasonably measured, revenue is only recognised to the extent of the recoverable costs incurred to date of the performance obligation.

j) SIGNIFICANT JUDGEMENTS AND KEY ASSUMPTIONS

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Entity.

There have been no significant judgements or key assumptions incorporated into the financial report for the period.

k) ADOPTION OF NEW AND REVISED STANDARDS

New and amended accounting standards

The Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the period.

The accounting policies adopted are consistent across the financial reporting periods presented in this financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

2. REVENUE

	Half-year 31-Dec-18 \$	Year end 30-Jun-18 \$	Year end 30-Jun-17 \$	Year end 30-Jun-16 \$
Client Revenue	262,492	618,240	480,033	346,793
Other income	11,610	3,810	3,191	511
	274,102	622,050	483,224	347,304

3. EXPENSES

3a) Employee Benefits Expense

	Half-year 31-Dec-18 \$	Year end 30-Jun-18 \$	Year end 30-Jun-17 \$	Year end 30-Jun-16 \$
Wages and Salaries	80,727	251,461	159,830	52,246
Superannuation	10,173	23,237	14,927	4,950
Work Cover	395	685	179	187
	91,295	275,383	174,936	57,383

3b) Other expenses

	Half-year 31-Dec-18 \$	Year end 30-Jun-18 \$	Year end 30-Jun-17 \$	Year end 30-Jun-16 \$
Provision for doubtful debts ¹	(1,865)	2,900	2,541	3,405

1. A provision for doubtful debts was raised for potential non-recovery of receivables calculated as 2% of client revenue for each year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

4. CASH AND CASH EQUIVALENTS

	31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
	\$	\$	\$	\$
Cash at bank and in hand	19,398	19,585	26,825	33,316
	19,398	19,585	26,825	33,316

a) Reconciliation of net cash used in operating activities with profit

Net profit for the period	118,429	155,191	159,296	185,601
Adjusted for non-cash items:				
Depreciation	588	1,176	1,078	-
Provision for doubtful debts	(1,865)	2,900	2,541	3,405
Changes in assets and liabilities during the period:				
Movement in trade and other receivables	22,859	(46,665)	6,917	(23,853)
Movement in trade and other payables	(36,482)	15,659	(25,495)	48,311
Net cash provided by operating activities	103,529	128,261	144,337	213,464

5. TRADE AND OTHER RECEIVABLES AND WORK IN PROGRESS

	31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
	\$	\$	\$	\$
Work in Progress	14,740	28,172	23,935	43,058
Trade receivables *	63,509	72,935	30,508	18,301
Provision for Doubtful Debts	(10,500)	(12,365)	(9,465)	(6,924)
	67,749	88,742	44,978	54,435

*AF Legal Pty Limited believes the above balance reflects the recoverable balance and no trade receivables or work process are impaired (other than to the extent already provided for).

6. PROPERTY, PLANT & EQUIPMENT

	31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
	\$	\$	\$	\$
Office Equipment – cost	3,841	3,841	3,528	-
Office Equipment – accumulated depreciation	(2,842)	(2,254)	(1,078)	-
	999	1,587	2,450	-
Total property, plant & equipment	999	1,587	2,450	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

Movement reconciliation:

Carrying value at start of period	1,587	2,450	-	-
Additions	-	313	3,528	-
Disposals	-	-	-	-
Depreciation	(588)	(1,176)	(1,078)	-
Carrying value at end of period	999	1,587	2,450	-

7. TRADE AND OTHER PAYABLES

	31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
	\$	\$	\$	\$
Accounts Payable	-	-	-	52,588
GST (Net)	(19,863)	(10,358)	8,907	1,551
PAYG Withholdings Payable	23,693	33,710	9,557	-
Accrued Expenses	559	12,791	6,187	492
Superannuation Payable	3,233	6,653	4,485	-
Wages Payable - Payroll	2,331	118	-	-
Other	(1,640)	1,880	-	-
	8,313	44,794	29,136	54,631

The average credit period on trade payables is 30 days. No interest was payable on outstanding payables during the period.

8. Drawings & Owners Equity

	31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
	\$	\$	\$	\$
Drawings				
<i>Movements reconciliation:</i>				
Balance at beginning of the period	(537,238)	(402,050)	(254,750)	(53,865)
Drawings taken during the period	(103,715)	(135,188)	(147,300)	(200,885)
Balance at end of the period	(640,953)	(537,238)	(402,050)	(254,750)
Retained Profits	720,786	602,358	447,166	287,870
Owners Equity	79,833	65,120	45,117	33,120

9. RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

There are no other related party transactions during the period other than the drawings in Note 8 above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

(b) Other payments to related parties

There are no other related party transactions during the period other than the drawings in Note 8 above.

(c) Amounts payable to related parties

There are no other related party transactions during the period.

10. FINANCIAL RISK MANAGEMENT

The Entity's principal financial instruments comprise mainly account payables and receivables.

The totals for each category of financial instruments as follows:

	31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	19,398	19,585	26,825	33,316
Trade and other receivables	67,749	88,742	44,978	54,435
	87,147	108,327	71,803	87,751
	31-Dec-18	30-Jun-18	30-Jun-17	30-Jun-16
	\$	\$	\$	\$
Financial Liabilities				
Trade and other payables	8,313	44,794	29,136	54,631
	8,313	44,794	29,136	54,631

Financial Risk Management Policies

The overall risk management strategy seeks to assist the Entity in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements.

Specific Financial Risk Exposure and Management

The main risks arising from the Entity's financial instruments are interest risk and liquidity risk.

a) Interest Risk

The Entity's interest rate risk arises from its cash held on short-term deposit, which is not significant.

b) Liquidity Risk

Liquidity risk arises from the possibility that the Entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Entity manages this risk through the following:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

- Preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities; and
- Managing credit risk related to financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial assets and liabilities.

31 December 2018	Within 1 year	1 – 5 years	Total
<i>Financial assets – cash flows realisable</i>			
Trade and other receivables	67,749	-	67,749
Total anticipated inflows	67,749	-	67,749
<i>Financial liabilities – due for payment</i>			
Trade and other payables	8,313	-	8,313
Total contractual outflows	8,313	-	8,313
Net outflow on financial instruments	59,436	-	59,436
30 June 2018	Within 1 year	1 – 5 years	Total
<i>Financial assets – cash flows realisable</i>			
Trade and other receivables	88,742	-	88,742
Total anticipated inflows	88,742	-	88,742
<i>Financial liabilities – due for payment</i>			
Trade and other payables	44,794	-	44,794
Total contractual outflows	44,794	-	44,794
Net outflow on financial instruments	43,948	-	43,948
30 June 2017	Within 1 year	1 – 5 years	Total
<i>Financial assets – cash flows realisable</i>			
Trade and other receivables	44,978	-	44,978
Total anticipated inflows	44,978	-	44,978
<i>Financial liabilities – due for payment</i>			
Trade and other payables	29,136	-	29,136
Total contractual outflows	29,136	-	29,136
Net outflow on financial instruments	15,842	-	15,842

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

30 June 2016	Within 1 year	1 – 5 years	Total
<i>Financial assets – cash flows realisable</i>			
Trade and other receivables	54,435	-	54,435
Total anticipated inflows	54,435	-	54,435
<i>Financial liabilities – due for payment</i>			
Trade and other payables	54,631	-	54,631
Total contractual outflows	54,631	-	54,631
Net outflow on financial instruments	(196)	-	(196)

Cash flows from financial assets and liabilities reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that facilities will roll forward.

Fair value of financial assets and financial liabilities

There is no difference between the fair values and the carrying amounts of the Entity's financial assets and liabilities. The Entity has no unrecognised financial assets and liabilities at balance date. The Entity's financial assets and liabilities are at level 2 or above.

The Entity does not measure any assets or liabilities at fair value on a recurring or non-recurring basis.

11. COMMITMENTS

Following the execution of the Business Purchase agreement to acquire the Business Assets of Walls Bridges, AFL has renegotiated a sub-leasing agreement for the business premises formerly occupied by Wall Bridges at 47 Octavia St., Mornington Victoria. This lease commenced on 1 May 2019 for twelve months expiring on 30 April 2020 with a total commitment of \$18,200 plus applicable GST.

There are no other Commitments for the Entity as at 31 December 2018.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Entity has no contingent assets or liabilities as at 31 December 2018.

13. SIGNIFICANT AFTER BALANCE DATE EVENTS

Other than disclosed elsewhere in this report nil. However special note should be taken of the comments in the Owners report regarding the Business Purchase Agreement executed between AF Legal Pty Ltd and Walls Bridges,

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDE 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018 AND THE HALF-YEAR ENDED 31 DECEMBER 2018

and the proposed transaction within which Navigator Resources Ltd shall acquire AF legal Pty Ltd, and apply for readmission to the ASX .

On 20 February 2019, AF Legal Pty Ltd ACN 604 485 154 (AFL), an Australian Family Law Firm, executed a Business Sale Agreement to purchase the Business Assets, including brand, goodwill and files under management of Walls Bridges Lawyers for a total consideration of \$53,500.

Navigator Resources Limited ACN 063 366 487 (NAV) is a company listed on the Australian Stock Exchange (ASX). At an Extraordinary General Meeting (EGM) held on 8 April 2019, NAV shareholders approve resolutions that will allow NAV to acquire 100% of the issued capital of AFL (Proposed Transaction).

As part of the Proposed Transaction, the Company proposes to change its name to “AF Legal Group Ltd” and also change its ASX ticker code from “NAV” to “AFL” and apply for readmission to the ASX.

There are no other matters or circumstances which have arisen since 31 December 2018 which significantly affected or may significantly affect the operations of the Entity, the results of those operations, or the state of the affairs of the Entity in future financial years.

OWNERS' DECLARATION

1. In the opinion of the Owners:
 - a. the financial statements and notes comply with Accounting Standards; and
 - b. the financial statements and notes give a true and fair view of the financial position as at 31 December 2018, 30 June 2018, 30 June 2017 and 30 June 2016 and of the performance for the half-year ended 31 December 2018 and the years ended 30 June 2016, 30 June 2017 and 30 June 2018.

A handwritten signature in black ink, appearing to be 'EF', written in a cursive style.

Mr Edward Finn,
Director, AF Legal Pty Ltd
Melbourne, VIC, 19 May 2019

INDEPENDENT AUDIT REPORT

**INDEPENDENT AUDIT REPORT
TO THE OWNERS OF
WALLS BRIDGES LAWYERS**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Walls Bridges Lawyers ("the Entity"), which comprises the Statement of Financial Position as at 30 June 2016, 30 June 2017, 30 June 2018 and 31 December 2018, the Statement of Profit or loss and Other Comprehensive Income, statement of changes in Owners' equity and statement of cash flows for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 and the half year ended 31 December 2018 (together the "periods then ended"), and notes to the financial statements, including a summary of significant accounting policies, and the Owners' declaration.

In our opinion, the accompanying financial report of the Entity has been prepared in accordance to the Entity's accounting policies including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2016, 30 June 2017, 30 June 2018 and 31 December 2018 and of its financial performance for the periods then ended; and
- (ii) complying with Australian Accounting Standards

Basis of opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled out other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibility of the Owners for the Financial Report

The Owners are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report. The Owners responsibility also includes such internal control as the Owners determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Owners are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Owners either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Owners are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Owners.
- Conclude on the appropriateness of Owners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Owners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
19 May 2019